

City of Caldwell, Kansas

Annual Financial Report

December 31, 2012

Governing Body

Mark Arnold, Mayor

Michelle Schiltz, Finance Commissioner

Colin Wood, Public Works Commissioner

City Clerk

Casie Risley

Independent Auditors

Kenneth L Cooper Jr CPA, Chtd.
Certified Public Accountant
Wellington, Kansas

City of Caldwell, Kansas

Year Ended December 31, 2012

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City of Caldwell, Kansas

Year Ended December 31, 2012

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KENNETH L COOPER JR CPA, CHTD
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commission
City of Caldwell
Caldwell, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Caldwell, Kansas, (a Municipal Financial Reporting Entity) as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unqualified audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Caldwell, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Caldwell, Kansas as of December 31, 2012, or changes in net position and, when applicable, cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Caldwell, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency fund and schedules of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for additional analysis and are not a required part of the 2012 basic financial statement; however are required to be presented under the provisions of the *Kansas Municipal Audit Accounting Guide*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-related municipal entity (Schedules 2 and 4 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statement upon which we rendered an unqualified opinion dated August 23, 2012. The 2011 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement taken as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2013 on our consideration of the City of Caldwell's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Caldwell's internal control over financial reporting and compliance.



Certified Public Accountants

Wellington, Kansas
September 26, 2013

City of Caldwell, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2012

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>Prior Year</u> <u>Cancelled</u> <u>Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>Add Outstanding</u> <u>Encumbrances</u> <u>and Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Governmental Type Funds							
General Fund	\$ 418,597	\$ -	\$ 803,595	\$ 837,679	\$ 384,513	\$ 39,490	\$ 424,003
Special Purpose Funds							
Special Highway	95,993	-	141,496	185,404	52,085	-	52,085
Special Parks and Recreation	3,417	-	2,457	3,000	2,874	-	2,874
Library Levy	669	-	15,519	16,188	-	-	-
Drug Enforcement	3,156	-	-	-	3,156	-	3,156
Equipment Reserve	87,411	-	48,000	19,386	116,025	-	116,025
Industrial Development	2,122	-	-	2,122	0	-	0
Special Law Enforcement	1,314	-	-	-	1,314	-	1,314
Cemetery Improvement	272,161	-	2,144	-	274,305	-	274,305
Fire Insurance Proceeds	-	-	-	-	-	-	-
Transient Guest Tax	3,349	-	3,241	-	6,590	-	6,590
Home Special Projects	-	-	118,683	186,640	(67,957)	67,957	-
Bond and Interest Funds							
Bond and Interest	22,458	-	28,235	33,211	17,482	-	17,482
Capital Projects Funds:							
Multi-Year Capital Improvements	131,588	-	75,000	12,450	194,138	-	194,138
Community Bldg. Spec. Proj.	1,500	-	760,652	729,602	32,550	-	32,550
Business Funds							
Sewer Utility	60,252	-	137,843	155,545	42,550	588	43,138
Storm Water Utility	11,693	-	9,459	348	20,804	-	20,804
Water Utility	206,552	-	335,643	296,038	246,157	5,797	251,954
Solid Waste Utility	-	-	137	-	137	-	137
Trust Funds:							
Cemetery Endowment	127,979	-	2,171	995	129,155	-	129,155
Total	1,450,211	-	2,484,275	2,478,608	1,455,878	113,832	1,569,710
Related Municipal Entities							
Caldwell Public Library	9,511	-	29,931	36,513	2,929	-	2,929
Total	\$ 1,459,722	\$ -	\$ 2,514,206	\$ 2,515,121	\$ 1,458,807	\$ 113,832	\$ 1,572,639

Composition of Cash Balance:

Cash on hand, city Clerk	\$ 505
Cash in checking account:	
Stock Exchange Bank, checking account	10,100
Stock Exchange Bank, money market account	22,092
Stock Exchange Bank, Sewer fund money market account	897,949
Stock Exchange Bank, Special account	36,299
Cash in certificates of deposit	
Stock Exchange Bank	206,291
Impact Bank	396,494
Related Municipal Entity	
Caldwell Municipal Library, cash in bank	2,929
Total Cash	\$ 1,572,659
Agency funds per Schedule 3	(20)
Total Reporting Entity (Excluding Agency Funds)	\$ 1,572,639

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

1. Summary of Significant Accounting Policies

A. Municipal Financial Reporting entity

The City of Caldwell, Kansas ("City") is a municipal corporation governed by an elected three-member commission and provides the following services: Public Safety-Police, Fire Protection, Highways and Streets, Culture-Recreation, Public Improvements, Utilities-Water, Sewer, Storm Water and Refuse, and General Administrative Service.

This financial statement presents the City of Caldwell (the municipality) and the following related municipal entity (RME). This RME is included in the City's reporting entity at the option of the City and has been established to benefit the City and/or its constituents.

Caldwell Public Library Board – The City of Caldwell Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

B. Regulatory Basis Fund Types

General Fund--the chief operating fund of the City. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund—used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund—used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business Fund—funds financed in whole or in part by fees charged to users of the goods or services (i.e. utility services and internal service funds).

Trust Fund—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purposed trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

C. Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

D. Property taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Federal and State grant aid and unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

E. Property, plant and equipment

The City does not present capital fixed assets, such as land, building and equipment in this financial statement. Accounting records for public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, which are immovable and of value only to the City have not been maintained. The disbursements for the purchase of these assets are considered as expenditures and no depreciation has been provided on any capital assets.

F. Special Assessments Receivable

Improvements to roads, sidewalks, and sewer systems are paid for in part by the landowners being benefited. They have the option to pay their share in full, before the improvement is financed by the City through issuance of general obligation bonds, or they are assessed the amount to be paid in annual installments over a period of 15 or 20 years, generally the life of the bond obligation. The City certifies to the County the amount to be levied against the landowner each year. The county collects and periodically remits the assessments to the City. The amount received is recorded in the bond and interest fund. The City of Caldwell currently has no special assessment bonds outstanding.

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

1. Summary of Significant Accounting Policies (continued)

G. Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments to the proposed budget for the year ended December 31, 2012.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitments, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds: Special Law Enforcement, Municipal Equipment Reserve, Fire Insurance and Home Special Projects. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

2. Stewardship, Compliance and Accountability (continued)

B. Compliance With Finance-Related Legal and Contractual Provisions

Water Utility System revenue bonds constitute special obligations of the City and are solely secured by a first lien on the net revenues of the water utility system. The revenue bond ordinance provides that the rates and fees charged by the water system be sufficient to pay expenses of the system, principal and interest on the bonds and provide reasonable reserves for the protection and benefit of the system. For 2012, net revenues were sufficient to pay all expenses, principal and interest.

Other miscellaneous provisions of the revenue bond agreement were met in 2012.

C. Deficit Cash/Unencumbered Cash for Individual Funds

The Home Special Projects fund had a negative unencumbered cash balance of \$67,957 as of December 31, 2012, pending receipt of federal grant funds. This is an exception to the cash basis law requirement that funds must not have a negative balance.

D. Compliance with Kansas Statutes

There were no violations of finance-related legal and contractual provision during 2012.

3. Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no investment policy that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; US government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not designate any peak periods in 2012. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$1,572,659 and the bank balance was \$1,574,617. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$551,791 was covered by federal depository insurance and \$1,022,826 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

4. Long-term debt

Changes in long-term liabilities for the City for the year ended December 31, 2012 were as follows:

Issue	Issue Date	Interest Rate	Maturity Date	Amount of Issue	1/1/2012 Balance	Additions	Reductions/ Payments	12/31/2012 Balance	Interest Paid
General Obligation Bonds									
Series 2009	4/15/2009	0.0%	4/1/2019	\$ 110,000	\$ 88,000	\$ -	\$ 11,000	\$ 77,000	\$ -
Series 2010	9/22/2010	0.0%	9/28/2020	222,109	199,898	-	22,211	177,687	-
Series 2012	1/20/2012	3.75%	1/20/2042	190,000	-	190,000	-	190,000	-
					<u>\$ 287,898</u>	<u>\$ 190,000</u>	<u>\$ 33,211</u>	<u>\$ 444,687</u>	<u>\$ -</u>
Capital Leases									
Steel Spreader	11/3/2009	4.01%	11/3/2012	11,696.00	\$ 3,903	\$ -	\$ 3,903	\$ -	\$ 151
2010 Dodge Charger	2/15/2010	4.00%	2/15/2012	10,000.00	5,099	-	5,099	-	208
2010 Dodge Charger	3/21/2011	4.00%	3/21/2015	23,865.00	18,704	-	4,400	14,304	761
2007 Chevy 2500 Truck	3/21/2011	4.00%	3/21/2015	20,486.00	16,061	-	9,485	6,576	940
2010 Dodge Avenger	3/19/2012	3.75%	3/19/2015	13,438.00	-	13,438	3,000	10,438	-
2007 Caterpillar Compactor	6/4/2012	3.50%	6/4/2015	16,460.00	-	16,460	9,850	6,610	150
1999 Fird Fire Brush Trk	12/11/2012	2.50%	12/10/2015	20,000.00	-	20,000	5,000	15,000	-
					<u>\$ 43,767</u>	<u>\$ 49,898</u>	<u>\$ 40,737</u>	<u>\$ 52,928</u>	<u>\$ 2,210</u>
Water Revenue Bonds									
Series 2011	4/15/2011	3.25%	4/15/2051	775,000.00	<u>\$ 775,000</u>	<u>\$ -</u>	<u>\$ 9,653</u>	<u>\$ 765,347</u>	<u>\$ 25,187</u>
Other Debt									
St of KS Water Pollution Revolving Loan Fund									
	7/3/2003	2.69%	3/1/2025	687,000.00	<u>\$ 500,232</u>	<u>\$ -</u>	<u>\$ 31,187</u>	<u>\$ 469,045</u>	<u>\$ 13,248</u>
Total Long-Term Debt					<u>\$ 1,606,897</u>	<u>\$ 239,898</u>	<u>\$ 114,788</u>	<u>\$ 1,732,007</u>	<u>\$ 40,645</u>

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

4. Long-term debt (continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2013	2014	2015	2016	2017	2018-2022	2023-2027	Total through 2027
Principal								
GO Bonds	\$ 36,727	\$ 36,878	\$ 37,016	\$ 37,159	\$ 37,289	\$ 111,511	\$ 27,504	\$ 324,084
Capital Leases	20,826	18,411	13,690	-	-	-	-	52,928
Water Revenue Bonds	10,036	10,362	10,699	10,982	11,404	62,759	73,645	189,887
Other Debt	32,031	32,899	33,790	34,705	35,645	193,235	106,741	469,045
	<u>\$ 99,621</u>	<u>\$ 98,550</u>	<u>\$ 95,195</u>	<u>\$ 82,846</u>	<u>\$ 84,338</u>	<u>\$ 367,505</u>	<u>\$ 207,890</u>	<u>\$ 1,035,944</u>

	Total through 2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	2053-2057	Final Total
Principal (cont.)								
GO Bonds	\$ 324,084	\$ 33,065	\$ 39,745	\$ 47,793	\$ -	\$ -	\$ -	\$ 444,687
Capital Leases	52,928	-	-	-	-	-	-	52,928
Water Revenue Bonds	189,887	86,375	101,419	119,013	139,659	128,994	-	765,347
Other Debt	469,045	-	-	-	-	-	-	469,045
	<u>\$ 1,035,944</u>	<u>\$ 119,440</u>	<u>\$ 141,164</u>	<u>\$ 166,806</u>	<u>\$ 139,659</u>	<u>\$ 128,994</u>	<u>\$ -</u>	<u>\$ 1,732,007</u>

	2013	2014	2015	2016	2017	2018-2022	2023-2027	Total through 2027
Interest								
GO Bonds	\$ 7,125	\$ 6,993	\$ 6,856	\$ 6,713	\$ 6,565	\$ 30,407	\$ 25,783	\$ 90,442
Capital Leases	1,853	1,149	471	-	-	-	-	3,473
Water Revenue Bonds	24,874	24,548	24,211	23,863	23,506	111,729	100,847	333,578
Other Debt	12,403	11,536	10,645	9,730	8,790	28,938	4,345	86,387
	<u>\$ 46,255</u>	<u>\$ 44,226</u>	<u>\$ 42,183</u>	<u>\$ 40,306</u>	<u>\$ 38,861</u>	<u>\$ 171,074</u>	<u>\$ 130,975</u>	<u>\$ 513,880</u>

	Total through 2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	2053-2057	Final Total
Interest (cont.)								
GO Bonds	\$ 90,442	\$ 20,225	\$ 13,542	\$ 5,508	\$ -	\$ -	\$ -	\$ 129,717
Capital Leases	3,473	-	-	-	-	-	-	3,473
Water Revenue Bonds	333,578	88,078	73,093	55,507	34,869	10,650	-	595,775
Other Debt	86,387	-	-	-	-	-	-	86,387
	<u>\$ 513,880</u>	<u>\$ 108,303</u>	<u>\$ 86,635</u>	<u>\$ 61,016</u>	<u>\$ 34,869</u>	<u>\$ 10,650</u>	<u>\$ -</u>	<u>\$ 815,353</u>

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

5. Capital project funds

There were no capital projects in 2012 requiring project authorization.

6. Claims and Judgments

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

7. Interfund transfers and other interfund activity

The following is a schedule of interfund operating transfers made in 2012:

<u>From:</u>	<u>To:</u>	<u>Amount</u>
Cemetery Endowment Fund	General	\$ 994
General Fund	Equipment Reserve	39,000
General Fund	Multi-Year Capital Improvements	45,000
Sewer Utility Fund	Multi-Year Capital Improvements	10,000
Sewer Utility Fund	Equipment Reserve	5,000
Water Utility Fund	Multi-Year Capital Improvements	20,000
Water Utility Fund	Equipment Reserve	4,000

8. Other Long-Term Obligations from Operations

A. Post-Employment Health Care Benefits

As provided by K.S.A. 12-5040, City retirees may participate in the group health insurance plan. As it is the State of Kansas group plan, the participants are billed directly and are responsible for the full premium. Any indirect subsidy paid by the City as a result of having retirees in the insurance pool has not been quantified in these financial statements.

City of Caldwell, Kansas
Notes to Financial Statement
December 31, 2012

8. Other Long-Term Obligations from Operations (continued)

B. Compensated absences

The City's policies regarding vacations permit all full-time employees to earn vacation at the rate of ten days per year after one year of service, and fifteen days per year after fifteen years of employment. However, no unused vacation can be carried over from one employment year to another. Upon termination or resignation from service with the City, employees are entitled to payment for all accrued vacation earned prior to termination or resignation. All employees on permanent status earn sick leave at the rate of one calendar day per month with a 90-day maximum accumulation. Upon termination or resignation, any employee who has ten years or more of continuous service will be entitled to be paid for up to 30 days of sick leave at the employee's current rate of salary.

9. Defined benefit pension plan

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100: Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy

State statutes K.S.A. 74-4919 and 79-49210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

10. Subsequent Events

Management has evaluated the effects of the financial statement of subsequent events occurring through September 26, 2013, which is the date at which the financial statement was available to be issued.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

City of Caldwell, Kansas
Summary of Expenditures--Actual and Budget
 Regulatory Basis
(Budgeted Funds Only)
 For the Year Ended December 31, 2012

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Favorable/ (Unfavorable)</u>
Governmental Type Funds:					
General	\$ 1,036,750	\$ -	\$ 1,036,750	\$ 837,679	\$ 199,071
Special Purpose Funds					
Special Highway	117,000	114,037	231,037	185,404	45,633
Special Parks and Recreation	4,000	-	4,000	3,000	1,000
Library Levy	16,830	-	16,830	16,188	642
Drug Enforcement	3,156	-	3,156	-	3,156
Industrial Development	5,740	-	5,740	2,122	3,618
Special Law Enforcement	1,314	-	1,314	-	1,314
Cemetery Improvement	25,000	-	25,000	-	25,000
Transient Guest Tax	1,000	-	1,000	-	1,000
Bond and Interest Funds:					
Bond & Interest	53,211	-	53,211	33,211	20,000
Business Funds:					
Sewer Utility	196,385	-	196,385	155,545	40,840
Storm Water Utility	22,000	-	22,000	348	21,652
Water Utility	331,777	-	331,777	296,038	35,739
Trust Funds:					
Cemetery Endowment	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>995</u>	<u>5,005</u>
Total primary government	<u>\$ 1,820,163</u>	<u>\$ 114,037</u>	<u>\$ 1,934,200</u>	<u>\$ 1,530,530</u>	<u>\$ 403,670</u>

City of Caldwell, Kansas**General Fund****Summary Schedule of Receipts and Expenditures - Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Taxes	\$ 558,753	\$ 492,541	\$ 498,237	\$ (5,696)
Intergovernmental revenues	19,514	19,692	19,800	(108)
Licenses and permits	87,141	93,377	93,800	(423)
Fines and fees	7,674	17,442	5,225	12,217
Other revenue	237,465	179,549	171,300	8,249
Transfers from Cemetery Endowment	1,539	994	6,000	(5,006)
Total cash receipts	<u>\$ 912,086</u>	<u>\$ 803,595</u>	<u>\$ 794,362</u>	<u>\$ 9,233</u>
<u>Expenditures</u>				
Administrative	\$ 112,508	\$ 98,763	\$ 114,700	\$ 15,937
Police	161,963	140,894	172,152	31,258
Fire	28,849	40,455	43,250	2,795
Public Works	172,974	162,188	254,100	91,912
Community building	11,114	22,215	35,000	12,785
Swimming pool	27,750	28,615	33,250	4,635
Employee benefit	203,488	224,949	235,500	10,551
Liability insurance	-	-	3,000	3,000
Capital Outlay/Contingency	101,151	35,600	61,798	26,198
Transfers to municipal equipment-reserve	17,000	39,000	39,000	-
Transfers to multi-year capital improvements	70,000	45,000	45,000	-
Total expenditures	<u>\$ 906,797</u>	<u>\$ 837,679</u>	<u>\$ 1,036,750</u>	<u>\$ 199,071</u>
Receipts Over (Under) Expenditures	\$ 5,289	\$ (34,084)		
Unencumbered Cash, Beginning	413,308	418,597		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 418,597</u>	<u>\$ 384,513</u>		

City of Caldwell, Kansas

General Fund

Detailed Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Years Ended December 31, 2012 and 2011

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Cash Receipts:</u>				
<u>Taxes</u>				
Ad valorem property tax	\$ 312,977	\$ 297,724	\$ 308,819	\$ (11,095)
Less NRP rebates	(8,133)	(2,276)	(3,942)	1,666
Delinquent tax collections	21,629	9,393	10,000	(607)
Special assessments	4,370	9,400	750	8,650
Motor vehicle tax	64,418	32,000	45,992	(13,992)
16/20 M tax	1,079	1,163	1,005	158
Recreational vehicle tax	727	460	613	(153)
Local sales and use tax	<u>161,686</u>	<u>144,677</u>	<u>135,000</u>	<u>9,677</u>
Total taxes	<u>\$ 558,753</u>	<u>\$ 492,541</u>	<u>\$ 498,237</u>	<u>\$ (5,696)</u>
<u>Intergovernmental</u>				
Highway connecting links	\$ 9,756	\$ 9,763	\$ 9,800	\$ (37)
Excise tax	1,450	1,472	2,000	(528)
Liquor tax	2,308	2,457	2,000	457
State Payments	-	-	-	-
County highway	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total intergovernmental	<u>\$ 19,514</u>	<u>\$ 19,692</u>	<u>\$ 19,800</u>	<u>\$ (108)</u>
<u>Licenses and Permits</u>				
Franchise fees	\$ 83,760	\$ 90,761	\$ 90,000	\$ 761
Permits	245	180	200	(20)
Dog licenses	776	596	1,000	(404)
Alcohol licenses	1,075	1,150	1,600	(450)
Other licenses	<u>1,285</u>	<u>690</u>	<u>1,000</u>	<u>(310)</u>
Total license and permits	<u>\$ 87,141</u>	<u>\$ 93,377</u>	<u>\$ 93,800</u>	<u>\$ (423)</u>
<u>Fines and Fees</u>				
Traffic fines and fees	\$ 7,274	\$ 17,042	\$ 4,500	\$ 12,542
Monument fees	400	400	400	-
Impound fees	-	-	300	(300)
Accident report fees	<u>-</u>	<u>-</u>	<u>25</u>	<u>(25)</u>
Total fines and fees	<u>\$ 7,674</u>	<u>\$ 17,442</u>	<u>\$ 5,225</u>	<u>\$ 12,217</u>

City of Caldwell, Kansas
General Fund

Detailed Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Years Ended December 31, 2012 and 2011

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Other</u>				
Grave openings and closings	\$ 8,475	\$ 8,325	\$ 9,000	\$ (675)
Rural fire contracts and runs	2,695	32,040	35,000	(2,960)
Copies and faxes	1	1	100	(99)
Swimming pool receipts	5,686	6,374	6,000	374
Swimming pool concessions	3,259	4,005	3,500	505
Charges for services	11,511	10,081	6,000	4,081
Other	-	-	-	-
Interest earnings	2,451	1,416	3,500	(2,084)
Sale of surplus property	-	-	-	-
Airport hanger lease	1,741	3,741	3,000	741
Building rent	3,246	2,301	4,000	(1,699)
Sale of cemetery lots	3,500	600	3,000	(2,400)
Donations	75,732	1,812	1,000	812
Reimbursements	19,919	22,828	9,000	13,828
Reimbursement from Sewer	16,000	32,000	32,000	-
Reimbursement from Water	68,000	54,000	54,000	-
Grants	15,013	-	-	-
Endowment from Cem Lot (Int)	225	-	2,000	(2,000)
Miscellaneous	11	25	200	(175)
Total other	<u>\$ 237,465</u>	<u>\$ 179,549</u>	<u>\$ 171,300</u>	<u>\$ 8,249</u>
<u>Operating Transfers In</u>				
Cemetery Endowment Fund	<u>\$ 1,539</u>	<u>\$ 994</u>	<u>\$ 6,000</u>	<u>\$ (5,006)</u>
Total cash receipts	<u>\$ 912,086</u>	<u>\$ 803,595</u>	<u>\$ 794,362</u>	<u>\$ 9,233</u>

City of Caldwell, Kansas
General Fund

Detailed Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Years Ended December 31, 2012 and 2011

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/ (Unfavorable)</u>
<u>Expenditures</u>				
<u>Administration</u>				
Salaries	\$ 53,546	\$ 54,466	\$ 60,000	\$ 5,534
Office supplies	7,363	4,477	6,500	2,023
Utilities	5,657	6,375	7,000	625
Audit	7,350	8,050	7,200	(850)
Printing & legals	2,561	2,358	2,500	142
Building maintenance	9,528	408	3,000	2,592
Insurance and bonds	11,109	5,580	11,000	5,420
Education and dues	4,500	7,657	3,500	(4,157)
Planning Commission	-	-	500	500
Weed violations	-	2,625	1,000	(1,625)
Other	1,544	1,761	2,500	739
Unsafe buildings	9,350	5,006	10,000	4,994
Total Administration	<u>\$ 112,508</u>	<u>\$ 98,763</u>	<u>\$ 114,700</u>	<u>\$ 15,937</u>
<u>Police</u>				
Salaries	\$ 107,416	\$ 93,065	\$ 115,000	\$ 21,935
Supplies	5,517	4,972	4,600	(372)
Computer supplies & updates	1,246	1,005	1,800	795
Utilities	4,288	3,881	4,000	119
Equipment maintenance & rental	498	-	2,800	2,800
Vehicle maintenance	4,397	4,365	4,500	135
New equipment	17,540	13,765	7,302	(6,463)
Fuel	11,733	9,303	10,000	697
Building maintenance	-	431	500	69
Insurance	6,478	7,085	13,750	6,665
Ads & legals	77	26	400	374
Dues & Education	854	1,062	2,500	1,438
Impounding dogs	-	205	600	395
Uniform maintenance	765	940	1,200	260
Miscellaneous	1,154	789	1,200	411
Drug Enforcement	-	-	2,000	2,000
Total Police	<u>\$ 161,963</u>	<u>\$ 140,894</u>	<u>\$ 172,152</u>	<u>\$ 31,258</u>

City of Caldwell, Kansas
General Fund

Detailed Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Years Ended December 31, 2012 and 2011

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/ (Unfavorable)</u>
<u>Fire</u>				
Salaries	\$ 2,400	\$ 2,400	\$ 2,500	\$ 100
Supplies	3,085	3,265	3,000	(265)
Equipment maint & rent	1,795	3,004	6,500	3,496
Building maintenance	-	1,043	1,500	457
Utilities	2,353	2,164	3,000	836
Insurance	3,970	4,429	3,000	(1,429)
Ads & legals	140	192	250	58
New equipment	2,255	8,146	4,000	(4,146)
City firemen reimbursement	3,312	3,260	5,000	1,740
Rural firemen reimbursement	4,196	5,804	6,000	196
Other	355	456	300	(156)
Fuel	4,788	6,127	5,500	(627)
Dues	200	165	700	535
Grant purchase	-	-	2,000	2,000
Total Fire	<u>\$ 28,849</u>	<u>\$ 40,455</u>	<u>\$ 43,250</u>	<u>\$ 2,795</u>
<u>Public Works</u>				
Salaries	\$ 60,741	\$ 57,561	\$ 87,000	\$ 29,439
Supplies	11,639	11,273	10,000	(1,273)
Utilities	7,963	7,673	12,000	4,327
Ads & legal publications	443	183	200	17
Insurance	14,570	18,104	13,500	(4,604)
Equipment maintenance	3,497	2,866	10,000	7,134
Fuel	12,401	13,456	12,000	(1,456)
Equipment repair	605	1,715	5,000	3,285
Building maintenance	4,700	685	1,500	815
New equipment	25,101	16,973	22,850	5,877
Miscellaneous	2,376	856	10,550	9,694
Materials	5,298	8,927	12,000	3,073
Contracted work	1,427	1,125	25,000	23,875
Street lighting	21,317	20,791	25,000	4,209
Hydrant rental	-	-	3,800	3,800
Chemicals	68	-	1,500	1,500
Bindweed & Composting	828	-	2,200	2,200
Total Public Works	<u>\$ 172,974</u>	<u>\$ 162,188</u>	<u>\$ 254,100</u>	<u>\$ 91,912</u>

City of Caldwell, Kansas
General Fund

Detailed Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Years Ended December 31, 2012 and 2011

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Community Building</u>				
Salaries	\$ 2,325	\$ 1,113	\$ 3,500	\$ 2,387
Supplies	1,072	5,802	1,500	(4,302)
Equipment rental	40	-	1,500	1,500
Equipment maintenance	20	214	1,000	786
Utilities	3,577	6,227	10,000	3,773
Insurance	697	1,424	6,000	4,576
Building maintenance	1,383	-	10,000	10,000
Community Building Development	2,000	6,223	1,000	(5,223)
Other	-	1,212	500	(712)
Total Community Building	<u>\$ 11,114</u>	<u>\$ 22,215</u>	<u>\$ 35,000</u>	<u>\$ 12,785</u>
<u>Swimming Pool</u>				
Salaries	\$ 14,934	\$ 14,547	\$ 16,000	\$ 1,453
Supplies	681	5,664	3,000	(2,664)
Maintenance materials	1,585	-	2,000	2,000
Equipment maintenance	-	-	2,500	2,500
Equipment rental	-	-	1,000	1,000
Utilities	3,964	4,176	4,000	(176)
Insurance	2,468	426	-	(426)
Chemicals	1,221	1,818	1,500	(318)
Merchandise	1,914	1,048	2,500	1,452
Sales tax	254	286	400	114
Schooling	635	640	250	(390)
Ads & legals	21	10	100	90
Other	73	-	-	-
Total Swimming Pool	<u>\$ 27,750</u>	<u>\$ 28,615</u>	<u>\$ 33,250</u>	<u>\$ 4,635</u>

City of Caldwell, Kansas
General Fund

Detailed Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Years Ended December 31, 2012 and 2011

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/ (Unfavorable)</u>
<u>Employee Benefits</u>				
Social security & Medicare	\$ 27,323	\$ 27,638	\$ 37,000	\$ 9,362
Worker's comp	-	-	12,000	12,000
Unemployment tax	353	267	500	233
KPERS retirement	23,563	25,902	30,000	4,098
Health insurance	152,249	171,142	156,000	(15,142)
Total Employee Benefits	<u>\$ 203,488</u>	<u>\$ 224,949</u>	<u>\$ 235,500</u>	<u>\$ 10,551</u>
 <u>Liability Insurance</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 3,000</u>	 <u>\$ 3,000</u>
 <u>Capital Outlay</u>	 <u>\$ 101,151</u>	 <u>\$ 35,600</u>	 <u>\$ 61,798</u>	 <u>\$ 26,198</u>
 <u>Operating Transfers</u>				
Municipal Equipment Reserve	\$ 17,000	\$ 39,000	\$ 39,000	\$ -
Multi-Year Capital Improvements	<u>70,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total Operating Transfers	<u>\$ 87,000</u>	<u>\$ 84,000</u>	<u>\$ 84,000</u>	<u>\$ -</u>
 Total expenditures	 <u>\$ 906,797</u>	 <u>\$ 837,679</u>	 <u>\$ 1,036,750</u>	 <u>\$ 199,071</u>

City of Caldwell, Kansas**Special Purpose Fund****Special Highway Fund****Schedule of Receipts and Expenditures - Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Variance- Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
State payments	\$ 28,730	\$ 27,459	\$ 31,290	\$ (3,831)
State payments - KLINK	-	114,037	-	114,037
Total cash receipts	<u>\$ 28,730</u>	<u>\$ 141,496</u>	<u>\$ 31,290</u>	<u>\$ 110,206</u>
<u>Expenditures</u>				
Salaries	\$ -	\$ -	\$ 2,000	\$ 2,000
Materials	1,188	-	5,000	5,000
Contracted services/capital outlay	2,400	12,858	90,000	77,142
Equipment maintenance	9,992	1,588	20,000	18,412
Special project	-	170,958	-	(170,958)
Total expenditures	<u>\$ 13,580</u>	<u>\$ 185,404</u>	<u>\$ 117,000</u>	<u>\$ (68,404)</u>
Adjustment for qualifying budget credit:				
State of Kansas KLINK payment	-	-	114,037	114,037
Total	<u>\$ 13,580</u>	<u>\$ 185,404</u>	<u>\$ 231,037</u>	<u>\$ 45,633</u>
Cash Receipts Over (Under) Expenditures	\$ 15,150	\$ (43,908)		
Unencumbered Cash, Beginning	80,843	95,993		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 95,993</u>	<u>\$ 52,085</u>		

City of Caldwell, Kansas
Special Purpose Fund
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/</u> <u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Local alcohol liquor tax	\$ 2,308	\$ 2,457	\$ 2,000	\$ 457
Total cash receipts	\$ 2,308	\$ 2,457	\$ 2,000	\$ 457
<u>Expenditures</u>				
Park	\$ -	\$ 1,000	\$ 4,000	\$ 3,000
Swimming pool	-	2,000	-	(2,000)
Total expenditures	\$ -	\$ 3,000	\$ 4,000	\$ 1,000
Cash Receipts Over (Under) Expenditures	\$ 2,308	\$ (543)		
Unencumbered Cash, Beginning	1,109	3,417		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	\$ 3,417	\$ 2,874		

City of Caldwell, Kansas**Special Purpose Fund****Library Levy Fund****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012			Variance-
	2011				Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>		<u>(Unfavorable)</u>
<u>Cash Receipts</u>					
Ad valorem property tax	\$ 14,761	\$ 13,650	\$ 14,156	\$	(506)
Neighborhood Revitalization Rebate	(367)	(104)	-		(104)
Back-tax collections	980	403	-		403
Motor vehicle tax	2,773	1,500	2,169		(669)
16/20 M vehicles	46	48	47		1
Recreational vehicle tax	31	22	29		(7)
Total cash receipts	<u>\$ 18,224</u>	<u>\$ 15,519</u>	<u>\$ 16,401</u>	<u>\$</u>	<u>(882)</u>
<u>Expenditures</u>					
Appropriation to library board	\$ 17,695	\$ 16,188	\$ 16,830	\$	642
Total expenditures	<u>\$ 17,695</u>	<u>\$ 16,188</u>	<u>\$ 16,830</u>	<u>\$</u>	<u>642</u>
Cash Receipts Over (Under) Expenditures	\$ 529	\$ (669)			
Unencumbered Cash, Beginning	140	669			
Prior Year Cancelled Encumbrances	-	-			
Unencumbered Cash, Ending	<u>\$ 669</u>	<u>\$ -</u>			

City of Caldwell, Kansas**Special Purpose Fund****Drug Enforcement****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Other	\$ -	\$ -	\$ -	\$ -
Total cash receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures</u>				
Drug enforcement equipment	\$ -	\$ -	\$ 3,156	\$ 3,156
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,156</u>	<u>\$ 3,156</u>
Cash Receipts Over (Under) Expenditures	\$ -	\$ -		
Unencumbered Cash, Beginning	3,156	3,156		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 3,156</u>	<u>\$ 3,156</u>		

City of Caldwell, Kansas**Special Purpose Fund****Equipment Reserve****Schedule of Receipts and Expenditures-Actual**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Operating transfer from general fund	\$ 17,000	\$ 39,000
Operating transfer from sewer fund	5,000	5,000
Operating transfer from water fund	-	4,000
Total cash receipts	<u>\$ 22,000</u>	<u>\$ 48,000</u>
<u>Expenditures</u>		
Street & Highway	\$ -	\$ 8,713
Police	10,463	9,173
Administration	-	1,500
Total expenditures	<u>\$ 10,463</u>	<u>\$ 19,386</u>
Cash Receipts Over (Under) Expenditures	\$ 11,537	\$ 28,614
Unencumbered Cash, Beginning	75,874	87,411
Prior Year Cancelled Encumbrances	-	-
Unencumbered Cash, Ending	<u><u>\$ 87,411</u></u>	<u><u>\$ 116,025</u></u>

City of Caldwell, Kansas
Special Purpose Fund
Industrial Development Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Delinquent tax collections	90	-	-	-
Miscellaneous Income	300	-	500	(500)
Total cash receipts	<u>\$ 390</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ (500)</u>
<u>Expenditures</u>				
Economic development	\$ 2,803	\$ -	\$ 3,000	\$ 3,000
Promotion	250	-	-	-
Other	3,457	2,122	2,740	618
Total expenditures	<u>\$ 6,510</u>	<u>\$ 2,122</u>	<u>\$ 5,740</u>	<u>\$ 3,618</u>
Cash Receipts Over (Under) Expenditures	\$ (6,120)	\$ (2,122)		
Unencumbered Cash, Beginning	8,242	2,122		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 2,122</u>	<u>\$ 0</u>		

City of Caldwell, Kansas**Special Purpose Fund****Special Law Enforcement****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/</u>
				<u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Grant	\$ -	\$ -	\$ -	\$ -
Total cash receipts	\$ -	\$ -	\$ -	\$ -
 <u>Expenditures</u>				
Other	\$ -	\$ -	\$ 1,314	\$ 1,314
Total expenditures	\$ -	\$ -	\$ 1,314	\$ 1,314
 Cash Receipts Over (Under) Expenditures	\$ -	\$ -		
 Unencumbered Cash, Beginning	1,314	1,314		
 Prior Year Cancelled Encumbrances	-	-		
 Unencumbered Cash, Ending	<u>\$ 1,314</u>	<u>\$ 1,314</u>		

City of Caldwell, Kansas**Special Purpose Fund****Cemetery Improvement****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011	2012		Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ <u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Interest earnings	\$ 3,297	\$ 2,144	\$ 20,000	\$ (17,856)
Total cash receipts	\$ 3,297	\$ 2,144	\$ 20,000	\$ (17,856)
<u>Expenditures</u>				
Other	\$ 4,850	\$ -	\$ 25,000	\$ 25,000
Total expenditures	\$ 4,850	\$ -	\$ 25,000	\$ 25,000
Cash Receipts Over (Under) Expenditures	\$ (1,553)	\$ 2,144		
Unencumbered Cash, Beginning	273,714	272,161		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 272,161</u>	<u>\$ 274,305</u>		

City of Caldwell, Kansas**Special Purpose Fund****Fire Insurance Proceeds****Schedule of Receipts and Expenditures-Actual**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Fire insurance proceeds	\$ -	\$ -
Other	-	-
Total cash receipts	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures</u>		
Other	<u>\$ -</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	-	-
Prior Year Cancelled Encumbrances	-	-
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Caldwell, Kansas
Special Purpose Fund
Transient Guest Tax Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011	2012		Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Transient Guest Tax	\$ 3,349	\$ 3,241	\$ 750	\$ 2,491
Total cash receipts	<u>\$ 3,349</u>	<u>\$ 3,241</u>	<u>\$ 750</u>	<u>\$ 2,491</u>
 <u>Expenditures</u>				
Other	\$ -	\$ -	\$ 1,000	\$ 1,000
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
 Cash Receipts Over (Under) Expenditures	\$ 3,349	\$ 3,241		
 Unencumbered Cash, Beginning	-	3,349		
 Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
 Unencumbered Cash, Ending	<u>\$ 3,349</u>	<u>\$ 6,590</u>		

City of Caldwell, Kansas
Special Purpose Fund
Home Special Projects Fund
Schedule of Receipts and Expenditures-Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Grants	\$ 49,763	\$ 118,683
Total cash receipts	<u>\$ 49,763</u>	<u>\$ 118,683</u>
<u>Expenditures</u>		
Administration	\$ 10,453	\$ 20,728
Construction	<u>39,310</u>	<u>165,912</u>
Total expenditures	<u>\$ 49,763</u>	<u>\$ 186,640</u>
Cash Receipts Over (Under) Expenditures	\$ -	\$ (67,957)
Unencumbered Cash, Beginning	-	-
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ (67,957)</u>

City of Caldwell, Kansas**Bond and Interest Fund****Bond and Interest****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Ad valorem - property tax	\$ 32,613	\$ 24,906	\$ 25,835	\$ (929)
Less NRP Rebates	(506)	(190)	-	(190)
Delinquent tax collections	513	319	-	319
Motor vehicle tax	1,041	3,073	4,792	(1,719)
16/20 M Trucks	-	27	105	(78)
Recreational vehicle tax	13	100	64	36
Total cash receipts	<u>\$ 33,674</u>	<u>\$ 28,235</u>	<u>\$ 30,796</u>	<u>\$ (2,561)</u>
<u>Expenditures</u>				
Bond principal	\$ 33,211	\$ 33,211	\$ 33,211	\$ 0
Interest and fiscal charges	-	-	1,000	1,000
Cash basis reserve	-	-	19,000	19,000
Total expenditures	<u>\$ 33,211</u>	<u>\$ 33,211</u>	<u>\$ 53,211</u>	<u>\$ 20,000</u>
Cash Receipts Over (Under) Expenditures	\$ 463	\$ (4,976)		
Unencumbered Cash, Beginning	21,995	22,458		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 22,458</u>	<u>\$ 17,482</u>		

City of Caldwell, Kansas
Capital Projects Funds
Multi-Year Capital Improvement Fund
Schedule of Receipts and Expenditures-Actual
Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Operating transfers from general fund	\$ 70,000	\$ 45,000
Operating transfers from sewer fund	10,000	10,000
Operating transfers from water fund	-	20,000
Total cash receipts	<u>\$ 80,000</u>	<u>\$ 75,000</u>
<u>Expenditures</u>		
Swimming Pool	\$ 3,650	\$ 2,450
Building	53,000	-
Sewer	-	10,000
Total expenditures	<u>\$ 56,650</u>	<u>\$ 12,450</u>
Cash Receipts Over (Under) Expenditures	\$ 23,350	\$ 62,550
Unencumbered Cash, Beginning	108,238	131,588
Prior Year Cancelled Encumbrances	-	-
Unencumbered Cash, Ending	<u>\$ 131,588</u>	<u>\$ 194,138</u>

City of Caldwell, Kansas
Capital Projects Funds
Community Building Special Projects Fund
Schedule of Receipts and Expenditures-Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Grant - CDBG	\$ -	\$ 370,652
Grant - USDA	-	200,000
Sale of GO Bonds - USDA	-	190,000
Donations	<u>1,500</u>	<u>-</u>
Total cash receipts	<u>\$ 1,500</u>	<u>\$ 760,652</u>
<u>Expenditures</u>		
Administration	\$ -	\$ 17,750
Architect Fees	-	40,465
Legal Fees	-	2,264
Construction	<u>-</u>	<u>669,123</u>
Total expenditures	<u>\$ -</u>	<u>\$ 729,602</u>
Cash Receipts Over (Under) Expenditures	\$ 1,500	\$ 31,050
Unencumbered Cash, Beginning	-	1,500
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 1,500</u>	<u>\$ 32,550</u>

City of Caldwell, Kansas**Business Fund****Sewer Utility****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Sewer use fee	\$ 120,257	\$ 131,284	\$ 115,400	\$ 15,884
Delinquent sewer use fee	5,191	3,775	5,000	(1,225)
Sewer dump fees	969	645	1,000	(355)
Assessed sewer fees	332	957	500	457
Utility overpayments	8,826	371	10,000	(9,629)
Miscellaneous	-	6	500	(494)
Interest earnings	<u>522</u>	<u>805</u>	<u>1,500</u>	<u>(695)</u>
Total cash receipts	<u>\$ 136,097</u>	<u>\$ 137,843</u>	<u>\$ 133,900</u>	<u>\$ 3,943</u>
<u>Expenditures</u>				
Salaries - plant	\$ 29,075	\$ 28,842	\$ 30,000	\$ 1,158
Salaries - administration	16,752	16,589	16,000	(589)
Utilities	2,313	2,458	4,500	2,042
Chemicals & supplies	3,919	2,106	2,500	394
Insurance	1,409	3,110	2,500	(610)
Equipment maintenance & rental	7,948	867	16,500	15,633
New equipment	4,727	3,130	5,500	2,370
Fuel	427	754	3,000	2,246
Consulting & Contractual	2,065	5,299	7,000	1,701
Dues & education	108	230	1,000	770
Debt service				
-principal	30,364	31,187	31,187	-
-interest	12,763	12,017	12,017	-
-loan fees	1,308	1,231	1,231	-
Capital improvements	-	147	15,000	14,853
Other	949	578	1,450	872
Reimburse general fund for employee benefits	16,000	32,000	32,000	-
Operating transfer to Equipment Reserve	5,000	5,000	5,000	-
Operating transfer to Capital Improvement	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>\$ 145,127</u>	<u>\$ 155,545</u>	<u>\$ 196,385</u>	<u>\$ 40,840</u>
Cash Receipts Over (Under) Expenditures	\$ (9,030)	\$ (17,702)		
Unencumbered Cash, Beginning	69,282	60,252		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 60,252</u>	<u>\$ 42,550</u>		

City of Caldwell, Kansas
Business Fund
Storm Water Utility
Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Variance- Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Utility Fees	\$ 9,636	\$ 9,459	\$ 10,000	\$ (541)
Total cash receipts	\$ 9,636	\$ 9,459	\$ 10,000	\$ (541)
<u>Expenditures</u>				
Capital improvements	\$ -	\$ -	\$ 22,000	\$ 22,000
Other	-	348	-	(348)
Total expenditures	\$ -	\$ 348	\$ 22,000	\$ 21,652
Cash Receipts Over (Under) Expenditures	\$ 9,636	\$ 9,111		
Unencumbered Cash, Beginning	2,057	11,693		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 11,693</u>	<u>\$ 20,804</u>		

City of Caldwell, Kansas**Business Fund****Water Utility****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Water sales	\$ 326,315	\$ 316,137	\$ 326,000	\$ (9,863)
Charges for services	3,325	196	25,400	(25,204)
Service line agreements	12,390	11,624	12,500	(876)
Bulk water	1,665	1,401	1,000	401
Reimbursements	6,128	-	3,000	(3,000)
Delinquent utility fees	5,569	4,695	11,000	(6,305)
Water revenue bond proceeds	775,000	-	-	0
Other	-	-	1,000	(1,000)
Interest earnings	<u>1,545</u>	<u>1,590</u>	<u>5,000</u>	<u>(3,410)</u>
Total cash receipts	<u>\$ 1,131,937</u>	<u>\$ 335,643</u>	<u>\$ 384,900</u>	<u>\$ (49,257)</u>
<u>Expenditures</u>				
Salaries - plant	\$ 59,654	\$ 80,878	\$ 65,000	\$ (15,878)
Salaries - admin	15,238	15,502	17,000	1,498
Utilities	16,662	16,337	15,000	(1,337)
Ads & Legals	229	17	500	483
Plant supplies & chemicals	21,339	15,645	7,000	(8,645)
Insurance	14,116	8,140	14,000	5,860
Building maintenance	632	-	2,000	2,000
Equipment maintenance & rental	3,662	12,062	28,000	15,938
New equipment and materials	17,930	19,720	17,000	(2,720)
Fuel	1,167	727	7,000	6,273
Consulting & contractual	16,872	5,698	8,500	2,802
Dues & Education	1,039	2,439	1,250	(1,189)
Computer supplies & updates	1,478	80	1,000	920
Sales Tax	3,949	2,917	-	(2,917)
Debt service				
-principal	-	9,653	9,653	-
-interest	-	25,188	24,874	(314)
Postage and freight	-	-	2,000	2,000
Other	6,025	3,035	34,000	30,965
Reimburse general fund for employee benefits	68,000	54,000	54,000	-
Pay off temporary notes and fees	779,347	-	-	-
Operating transfer to capital improvement fund	-	20,000	20,000	-
Operating transfer to equipment reserve fund	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total expenditures	<u>\$ 1,027,339</u>	<u>\$ 296,038</u>	<u>\$ 331,777</u>	<u>\$ 35,739</u>
Cash Receipts Over (Under) Expenditures	<u>\$ 104,598</u>	<u>\$ 39,605</u>		
Unencumbered Cash, Beginning	101,954	206,552		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 206,552</u>	<u>\$ 246,157</u>		

City of Caldwell, Kansas
Business Fund

Solid Wast Utility

Schedule of Receipts and Expenditures-Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Utility usage fees	\$ -	\$ 137
Total cash receipts	<u>\$ -</u>	<u>\$ 137</u>
 <u>Expenditures</u>		
Other	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>
 Cash Receipts Over (Under) Expenditures	\$ -	\$ 137
 Unencumbered Cash, Beginning	-	-
 Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
 Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 137</u>

City of Caldwell, Kansas
Trust Fund
Cemetery Endowment Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Variance- Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Addition to endowment	\$ 4,350	\$ 1,176	\$ 3,500	\$ (2,324)
Interest earnings	<u>1,539</u>	<u>995</u>	<u>4,000</u>	<u>(3,005)</u>
Total cash receipts	<u>\$ 5,889</u>	<u>\$ 2,171</u>	<u>\$ 7,500</u>	<u>\$ (5,329)</u>
<u>Expenditures</u>				
Operating transfer to general fund	<u>\$ 1,539</u>	<u>\$ 995</u>	<u>\$ 6,000</u>	<u>\$ 5,005</u>
Total expenditures	<u>\$ 1,539</u>	<u>\$ 995</u>	<u>\$ 6,000</u>	<u>\$ 5,005</u>
Cash Receipts Over (Under) Expenditures	\$ 4,350	\$ 1,176		
Unencumbered Cash, Beginning	123,629	127,979		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 127,979</u>	<u>\$ 129,155</u>		

City of Caldwell, Kansas**Agency Funds****Schedule of Regulatory Basis Receipts and Cash Disbursements***For the Year Ended December 31, 2012*

<u>Fund</u>	Beginning <u>Cash Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
Municipal Judges Training	\$ <u>(3)</u>	\$ <u>2,790</u>	\$ <u>2,767</u>	\$ <u>20</u>

City of Caldwell, Kansas
Related Municipal Entity
Caldwell Public Library

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2011</u>	<u>2012</u>
<u>Cash Receipts</u>		
Appropriation from the City of Caldwell	\$ 17,695	\$ 16,188
SCKLS grant	5,768	6,375
State grant	557	455
Fines and fees	18	-
Donations	833	1,586
Other grants	2,709	5,000
Interest earnings	29	12
Other	333	315
	<u> </u>	<u> </u>
Total cash receipts	\$ 27,942	\$ 29,931
<u>Expenditures</u>		
Salaries (11 months paid in 2011 and 13 months paid in 2012)	\$ 11,113	\$ 14,702
Payroll taxes	612	2,215
Utilities	5,367	5,460
Repairs	1,997	85
Supplies	1,299	2,258
Books	2,250	4,341
Periodicals & electronic media	465	439
Summer reading program	691	489
Computer, automation and other equipment	2,215	183
Insurance	2,382	2,419
Contract services	750	769
Mileage	117	-
Capital outlay-building & furniture	1,532	2,003
Imaging project	1,148	-
Other	933	587
Advertising	-	563
	<u> </u>	<u> </u>
Total expenditures	\$ 32,871	\$ 36,513
Cash Receipts Over (Under) Expenditures	\$ (4,929)	\$ (6,582)
Unencumbered Cash, Beginning	14,440	9,511
Prior Year Cancelled Encumbrances	<u> </u>	<u> </u>
Unencumbered Cash, Ending	<u>\$ 9,511</u>	<u>\$ 2,929</u>

FEDERAL COMPLIANCE SECTION

City of Caldwell, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

<i><u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u></i>	<i><u>Federal CFDA Number</u></i>	<i><u>Pass-Through Entity Identifying Number</u></i>	<i><u>Federal Expenditures</u></i>
<u>Department of Agriculture Direct Programs</u>			
Community Facilities Loans and Grants Cluster:			
Community Facility Loans and Grants			
Grant-Cemetery Directory Project	10.766		16,900
Community Facility Loans and Grants (Community Programs)			
Grant-Community Building (ARRA)	10.780		180,958
Loan-Community Building (ARRA)	10.780		<u>178,800</u>
Sub-total, Community Facilities Loans and Grants Cluster			<u>376,658</u>
<i>Total Department of Agriculture</i>			<u>376,658</u>
Department of Housing and Urban Development			
Pass-Through Program From:			
Kansas Department of Commerce:			
CDBG-Community Building Project	14.228	11-PF-010	370,652
Kansas Housing Resources Corporation:			
HOME Investments Partnerships Program	14.239	HR09-0144	<u>186,640</u>
<i>Total Department of Housing and Urban Development</i>			<u>557,292</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 933,950</u></u>

City of Caldwell, Kansas
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2012

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Caldwell, Kansas under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the operations of City of Caldwell, Kansas, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Caldwell, Kansas.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Loans Outstanding at Year End

The City has a general obligation and a revenue bond debt issue which are payable to the United States Department of Agriculture. They are as follows:

Series 2011 Revenue Bonds (water utility purchase)	\$765,347
Series 2012 General Obligation Bonds (Community Building)	<u>190,000</u>
Total loans outstanding to USDA, 12/31/12	<u>\$955,347</u>

Note 4. Unspent Federal Funds to be Refunded

The City issued general obligation bonds in the amount of \$190,000, received a \$200,000 grant from USDA, received reimbursements of \$381,051 from a Community Development Block Grant and provided \$38,500 to fund a community building rehabilitation project. As of December 31, 2012, there were unspent federal funds in the amount of \$19,042 that under the terms of the awards must be returned to the U.S. government. The City has submitted additional project expenditures to the USDA officials and requested approval to reimburse the City for these expenditures. If this request is approved, all federal funds will have been used and no refund will be required.

KENNETH L COOPER JR CPA, CHTD
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Commission
City of Caldwell, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statement of the City of Caldwell, Kansas as of and for the year ended December 31, 2012, and the related notes to the financial statement, which collectively comprise City of Caldwell, Kansas' basic financial statement, and have issued our report thereon dated September 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered City of Caldwell, Kansas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Caldwell, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Caldwell, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described and identified as Finding 2012-1 in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Caldwell, Kansas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Findings

The City of Caldwell, Kansas' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Caldwell, Kansas' response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Kenneth L. Coogler, Jr. CPA, Chtd". The signature is written in a cursive, flowing style.

Certified Public Accountants

Wellington, Kansas

September 26, 2013

KENNETH L COOPER JR CPA, CHTD
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the City Commission
City of Caldwell, Kansas

Report on Compliance for Each Major Federal Program

We have audited City of Caldwell, Kansas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Caldwell, Kansas' major federal programs for the year ended December 31, 2012. City of Caldwell, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Caldwell, Kansas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Caldwell, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Caldwell, Kansas' compliance.

Opinion on Each Major Federal Program

In our opinion, City of Caldwell, Kansas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of City of Caldwell, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Caldwell, Kansas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in

accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Caldwell, Kansas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

Wellington, Kansas

September 26, 2013

City of Caldwell, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Adverse opinion on the financial statement of the City of Caldwell in accordance with accounting principles generally accepted in the United States of America.

Unqualified opinion on the 2012 regulatory basis financial statement of the City of Caldwell, Kansas.

Internal Control over Financial Reporting:

Material weakness identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statement noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal controls over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency (ies) identified?	<u> </u> Yes	<u> X </u> None reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133?

 Yes X No

Identification of major programs:

CFDA Numbers 10.766 and 10.780	Community Facilities Loans and Grants Cluster
CFDA Number 14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and type B programs?

\$300,000

Auditee qualified as low-risk auditee?

 Yes X No

Section II—Financial Statement Findings

Finding 2012-1: Recognition of Expenditure and Liability in the Proper Accounting Period

Criteria:

Expenditures should be recognized under the City’s regulatory basis of accounting when performance occurs and the entity incurs a liability for goods or services received or when an encumbrance is created. OMB Circular A-133 § .205 states that, “The determination of when an award is expended should be based on when the activity related to the award occurs.”

City of Caldwell, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

Finding 2012-1: Recognition of Expenditure and Liability in the Proper Accounting Period
(continued)

Condition:

Accounts payable existing at 12/31/12 was understated on the financial statement by a material amount. The unrecorded 2012 expenditures included federal program expenditures in an amount material to the accrual basis schedule of expenditures of federal awards.

Context:

Total accounts payable recorded on the general ledger at 12/31/12 were \$13,394. Unrecorded accounts payable at 12/31/12 were \$100,458. Accounts payable were higher than normal due to federal program expenditures.

Effect:

Due to the material amount of the unrecorded payments, expenditures for the financial statement of the city and the schedule of expenditures of federal awards would have been materially misstated. Since the City agreed to correct their financial statement and schedule of expenditures of federal awards for 2012, there has been no material misstatement of the 2012 financial statement or schedule of expenditures of federal awards.

Cause:

The City's system for identifying and classifying expenditures in the proper year has generally been effective, but the procedures did not extend far enough into the subsequent year to identify late billed 2012 expenditures. Due to federal and other unusual projects at year end, there were a greater number of expenditures incurred in late 2012 but not paid until 2013.

Recommendation:

Additional review and other procedures should be performed by the accounting department to determine the proper expenditure period with respect to large construction contracts or other material or unusual payments made after year end. This review should extend into February or March to ensure late paid expenditures will be identified.

Views of Responsible Officials and Planned Corrective Action:

Management concurs with this finding. Accounting personnel will scrutinize large and unusual expenditures made after year end and perform additional procedures as necessary to determine the proper accounting period for expenditure recognition.

Section III—Federal Award Findings and Questioned Costs

NONE

City of Caldwell, Kansas

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2012

ALL FEDERAL PROGRAMS

Finding 2010-1: Internals Control over Preparation of the Schedule of Expenditures of Federal Awards

Condition:

Management was unaware of the specific requirements of the schedule of expenditures of federal awards, including CFDA number of the award and amount expended during the audit period.

Recommendation:

Management should become familiar with the requirements for preparation of the schedule of expenditures of federal awards. Management should use a disclosure checklist in evaluation of the non-audit services of drafting the schedule of expenditures of federal awards.

Current Status

Management complied with this recommendation relative to the 2012 schedule of expenditures of federal awards. The entity did not have a Single Audit in 2011.

Finding 2010-2 Internal Controls Over Compliance with Federal Requirements

Condition:

For all direct and material compliance requirements, there were no effective control procedures over three of the five elements of internal control-Risk Assessment, Information and Communication and Monitoring. In addition, for the Reporting and Special Provisions compliance requirements, both direct and material, there were no effective procedures for performing Control Activities. The City did not identify direct and material compliance requirements of the program and formulate an internal control system to ensure compliance.

Recommendation:

Upon receipt of a Federal Award, the City should identify relevant information about the award, identify direct and material compliance requirements, develop effective internal controls to ensure compliance and assign responsibilities for such within the organization.

Current Status

Management complied with this recommendation relative to the 2012 federal programs. The entity did not have a Single Audit in 2011.